



## **A G E N D A**

### **Council Subcommittee on Human Services Funding**

**Eugene Public Library  
100 West 10<sup>th</sup> Avenue, Bascom Conference Room, 1<sup>st</sup> Floor  
12:00 to 1:30 p.m.  
Tuesday, November 22, 2011**

- |                     |      |  |
|---------------------|------|--|
| 12:00 to 12:10 p.m. | I.   | <b>Agenda Review</b><br>Andy Fernandez                             |
| 12:10 to 12:15 p.m. | II.  | <b>Minutes Approval</b><br>Subcommittee Members                    |
| 12:15 to 12:25 p.m. | III. | <b>Follow-up from November 8 Meeting</b><br>Sue Cutsogeorge        |
| 12:25 to 1:10 p.m.  | V.   | <b>Continued Discussion</b><br>Andy Fernandez                      |
| 1:10 to 1:25 p.m.   | VI.  | <b>Finalize Recommendation</b><br>Andy Fernandez / Sue Cutsogeorge |
| 1:25 to 1:30 p.m.   | VII. | <b>Next Steps</b>  |

#### **Website for Subcommittee Information**

eugene-or.gov/HSSC

#### **City Council Meeting**

Review of Subcommittee Recommendations  
Wednesday, January 11, 2012



## MINUTES

Council Committee on Human Services Funding  
Bascom Room—Eugene Public Library—100 West 10<sup>th</sup> Avenue  
Eugene, Oregon

November 8, 2011  
Noon

**PRESENT:** Andrea Ortiz, Chris Pryor, Pat Farr, members; Andy Fernandez, Library, Recreation, and Cultural Services; Central Services Director Kristie Hammitt; Twylla Miller, Sue Cutsogeorge, Mia Cariaga, Central Services Department; Stephanie Jennings, Planning and Development Department; Lori Kievith, Eugene Police Department., Several members of the public were also in attendance.

**ABSENT:** George Brown, member.

### **I. Agenda Review**

Mr. Fernandez convened the meeting and reviewed the agenda.

### **II. Follow-up from October 25 Meeting**

Ms. Cutsogeorge called attention to a document included in the meeting packet entitled *Follow-up Information from October 25 Meeting* and briefly overviewed its contents, which included information about potential revenue sources; information on the impact of the potential termination of the Riverfront Urban Renewal District; information about City-funded human services with a nexus to food that might be supported by a restaurant tax; and updated information about the continuum considered by the committee on October 25. She also called attention to a draft recommendation based on the committee's discussions that was included in the packet, as well as a document entitled *Timing and Coordination Issues*. There were no questions.

Ms. Ortiz arrived.

### **III. Minutes Approval**

Ms. Ortiz, seconded by Mr. Pryor, moved to approve the minutes of October 25, 2011, as submitted. The motion passed unanimously, 3:0.

### **IV. Continued Discussion of Funding Level and Sources**

Mr. Fernandez referred to the draft staff recommendation found on page 29 of the meeting packet proposal as the topic of discussion for the meeting.

Mr. Fernandez also referred the committee to information about the funding sources included as attachments to the meeting packet: 1) a memorandum dated October 22, 2009, to the Meeting the Challenge

Task Force from Senior Financial Analyst Larry Hill entitled *Previously Identified General Fund Revenue Alternatives*; 2) Appendix H, *Funding Alternatives for Transportation System Needs*; 3) a document entitled *Funding Sources used by Other Human Service Providers*; 4) a document entitled *1995-96 Utility Consumption Tax*, which summarized Ballot Measure 20-54; and 5) a document entitled *Riverfront Urban Renewal District Information*.

Committee members discussed the potential that its recommendations would be referred to the ballot. Mr. Pryor suggested the committee consider taking two approaches, one that involved revenue sources that could be imposed by the council immediately and would be acceptable to the public because of the logical nexus between source and service, and one that allowed the public to decide. Ms. Cutsogeorge reminded the committee that only a property tax increase required a public vote; the other revenue sources could be referred to the voters if the council chose to do so.

Ms. Ortiz wanted to know what the City planned to do with the money in the Riverfront Urban Renewal District. She preferred to return that money to the General Fund rather than ask the voters for more money. Ms. Cutsogeorge reported that the district paid for City participation in planning efforts related to courthouse district and Walnut Station. If the committee chose to terminate the district, the City would have to decide whether and how it wanted to continue that participation.

Mr. Pryor suggested the committee identify a target for funding and build the revenue stream one revenue source at a time. The committee could propose terminating the Riverfront Urban Renewal District, which would realize \$300,000, as well as the revenue realized through a utility fee or community impact fee. That would help create stable funding as well as indicate to potential partners the City's willingness to participate in a larger solution.

Mr. Fernandez proposed that the committee discuss the pros and cons of the options with a focus on what could be implemented immediately, what was realistic, and what was voter-based as opposed to council-initiated. He created a chart on the whiteboard to record the pros and cons discussion.

### ***Riverfront Urban Renewal District***

Mr. Pryor said that termination of the district would be immediate, realistic, and was within the City's purview. Some people would be unhappy that the City would lose planning capacity. No public vote was needed, and the district represented an existing City resource.

### ***Restaurant tax***

There was general agreement among committee members that a restaurant tax was not a realistic option.

### ***Utility consumption tax***

Ms. Ortiz believed the fact the City would have to depend upon EWEB for billing for the tax represented a challenge. She also pointed out that differing service levels across the community could lead to charges of inequity. While she was willing to discuss it, she believed such a tax would be referred and would face wide opposition.

Ms. Cutsogeorge reported that a one-percent utility consumption tax would yield about \$1.2 million.

Mr. Farr believed an argument against the fee was that it had already been defeated at the polls. An argument in favor of the fee was that it was broad-based.

Committee members agreed such a fee could be implemented immediately and was realistic. A vote was not required. Mr. Pryor suggested another benefit of the utility consumption tax was that no one was exempted from the tax.

### ***Public Service Fee***

The committee agreed a benefit of such a fee was that it was broad-based. Ms. Cutsogeorge noted that such a fee could yield \$700,000 annually, assuming a flat fee of \$1 on all residential units regardless of unit type. She also noted that the fee included the same billing challenge mentioned earlier by Ms. Ortiz. She confirmed, in response to a question from Ms. Ortiz, that the fee would be applied to housing units under the management of the University of Oregon.

Mr. Farr believed such a fee would face broad opposition.

The committee agreed that the fact the fee was new to the community could be considered a disadvantage. The committee also agreed that such a fee would be broad-based, could be implemented immediately without a public vote, and was as realistic as any other revenue source under consideration.

### ***Property taxes***

The committee agreed that the disadvantages of a property tax increase included the compression factor and the fact it would be difficult to pass a property tax increase. They noted that the City was planning other property tax items on the ballot, such as the recently discussed renewal of the street bonds in 2012. Committee members concluded that a property tax increase was not a realistic option.

## **V. Discussion of Timing and Coordination Issues**

The committee discussed the possible timing for implementing the various options under consideration and the need for coordination with other efforts, such as the Ambulance Transport funding issue, parks operations and maintenance, and a future street bond.

Ms. Ortiz indicated that all options were still on the table in regard to the Ambulance Transport funding issue. She anticipated the council would discuss the problem before involving other jurisdictions.

Ms. Cutsogeorge noted that there is a double-majority requirement for property tax measures except those on the ballot in May and November.

Mr. Fernandez determined that the committee was comfortable dropping a restaurant tax from the list and focusing on a utility consumption tax or public service fee and termination of the Riverfront Urban Renewal District. The committee further agreed that while a property tax increase might face competition from other ballot measures, it could be a future funding source. Mr. Pryor observed that King County in Washington State had approved a property tax increase for veterans and human services. He anticipated that any future property tax measure would have to be targeted in such a way, and suggested it could be implemented in combination with one of the other revenue sources under consideration.

Ms. Ortiz indicated her preference for a utility consumption fee over a public services fee but said she was willing to look at all the data.

Ms. Cutsogeorge said the City's contribution to human services included both its funding for the Human Services Commission and its own direct contracts for services, such as CAHOOTS. She had not assumed that 100 percent of any new revenue would be directed to the HSC but wanted to confirm that with the committee. Mr. Pryor said the committee needed to determine whether the new revenue would entirely replace existing funding, with a net effect of zero, or was the committee trying to enhance that amount. He had assumed the base level of \$1.3 million would continue and anything the committee could add to that would be in addition to that amount or at least an offset to a greater degree than zero. He was hoping for something over the current \$1.3 million.

Ms. Cutsogeorge clarified that the City's base allocation was slightly more than \$1 million and the additions totaled about \$150,000, all of which came from the General Fund. Any new revenue source could free up money in the General Fund or help reduce the deficit.

Mr. Farr believed that a reduction in the General Fund contribution was a separate conversation. He preferred to consider new revenues as an addition to the existing contribution. Mr. Pryor agreed. He wanted to guarantee the current contribution. He pointed out the City could terminate the district and immediately add \$300,000 to the contribution to achieve stable funding. A utility consumption fee at .5 percent would raise an additional \$500,000 and bring the contribution up to nearly \$2 million.

Ms. Hammitt encouraged the committee to consider the issue in the context of other tax-related initiatives being considered and the council's goals. She suggested that the council could inventory and prioritize all City services. Ms. Cutsogeorge reminded the committee that the City was facing a \$6 million reduction in the General Fund over the next couple of years, and a new revenue source might be a way to help offset those reductions.

Responding to a suggestion from Mr. Pryor that Ms. Cutsogeorge's remarks implied that the City could not guarantee its base human services funding, Ms. Hammitt said no decisions had been made in that regard. However, she believed that the City would need to look outside the organization's resources and work with its partners to maintain adequate funding levels for human services.

Mr. Farr expressed a desire for a dedicated and secured revenue stream to fund human services.

The committee then discussed its preferred funding target and what services were included in the target.

Mr. Pryor did not want to make up the funding gap by using General Fund money or erode existing human services funding to pay for something else. He was interested in a stable funding source at whatever level the council chose. Then the council could discuss what it could do to supplement that funding to reach a level that reflected past one-time or emergency allocations that could not be sustained over time.

Mr. Farr wanted to eliminate the instability of one-time funding and add to the total amount. Mr. Pryor shared that goal but posited the possibility the committee might have to revisit current funding levels. Mr. Farr did not want to.

Responding to a question from Ms. Ortiz, Ms. Hammitt said she had interpreted the committee's charge as finding ways to fund the City's entire human services contribution, including stabilizing what the City was doing now.

Mr. Pryor emphasized that the City's human services contribution should be stable and should be increased. He said human services agencies relied on the contribution and suffered when the City

returned to baseline funding levels. He suggested the committee could establish a target that included the base allocation of \$1.3 million and \$300,000 from termination of the district, and add to that with another source that increased that amount by \$700,000. At that point, the council still had stable funding at a higher level even if it had to decrease its General Fund contribution. Ms. Hammitt concurred.

## **VI. Public Comment**

**Erin Bonner**, ShelterCare, thanked the committee for its discussion. She spoke of the many budget reductions that agencies and their clients were experiencing and said she was grateful for the committee's work.

**Jan Aho**, Pearl Buck Center, also expressed appreciation for the discussion. She thanked the committee and staff for their commitment and for recognizing the importance of the services funded to the community. Speaking to the CAHOOTS service, Ms. Aho said the providers had been talking about relationship between public safety and human services and believed that relationship was very important for the health of the community.

**Steve Manela** of Lane County's Health and Human Services Department also appreciated the conversation and thought the committee's work was very important. He appreciated that the local jurisdictions were working together on human services funding.

Mr. Pryor encouraged staff to continue to involve Mr. Manela in the process.

## **VII. Next Steps**

The next meeting was scheduled for November 22, 2011.

Mr. Fernandez concluded the meeting at 1:25 p.m.

*(Recorded by Kimberly Young)*





## Human Services Council Sub-Committee

October 4, 2011

### Best Outcomes

- Clarity to prioritize funding
- Start establishing an appropriate role for the City and develop a community-wide solution that aligns with financial goals
- Clear strategy for City's role in Human Services and creative ways to implement
- Find and develop a solution, and participants feel that it was time well spent
- Find a way to fund the increased need for Human Services
- Logical, sustainable and adequate level of funding that doesn't impact other services
- Don't look at the issue in a vacuum – develop good recommendations
- Develop a stable level of funding so that costs in other areas are minimally impacted
- Active level of partnership with other jurisdictions
- Human Services savings – costs in terms of other services
- Develop a plan to recommend long term Human Services Funding
- No more one-time funding discussions of Human Services at Budget Committee meetings
- Look broad, see creative solutions
- Regional partnerships
- Staff / Council increase knowledge of providers of Latino services - direct assistance to those agencies
- Partnerships to include business communities, and develop a plan to blend all aspects of the community
- Identify new funding streams and implement, consider affordable housing and Eugene homelessness issues
- Solid direction to Council > service goals, budget priority
- Develop a sustainable long term budget solution for Human Services, affordable housing

### Worst Outcomes

- Don't find a way to fund the need for human services
- Nothing changes
- Revenues decreases and there is a reduction in Human Services support
- Reduced resources will lead to an increased level of competition
- Surrounding community can't sustain, and there will be an influx of need to Eugene
- Group decides that they have done all they can
- Giving up
- Human Services is bottomless set of needs
- Development of permanent "under class" – costs
- No clear direction for funding Human Services
- No solution found – Budget Committee asks continue

- No action
- Increase in low income families
- Latino families ignored and basic services not met
- Develop a report that doesn't get used
- Less money
- Heightened levels of poverty
- Community conflict with impacted populations
- Come to inconclusive place
- Inadequate funding of social services for the most vulnerable
- Indecision and problem gets worse
- This group doesn't have the tools, information for decision-making

## **Follow up Information from November 8 Meeting**

This attachment includes some follow-up information from the discussion at the last meeting.

### **Average Utility Bill**

Subcommittee members wanted to know what an average utility bill would be for a household. Using information from EWEB and the City's public works staff, an average utility bill is about \$150 per month. This consists of about \$115 for EWEB electric and water, \$27 for wastewater and \$8 for stormwater (rounded numbers).

### **Chart with Pros and Cons**

The subcommittee discussed some pros and cons of the potential revenue sources under consideration. The resulting chart is attached.

HSSC Meeting Diagram  
November 8, 2011

Potential Revenue Rate	Amount	PROS	CONS	Immediate?	Realistic?	Voter Based?
<b>Utility Consumption Tax</b>						
1%	1,200,000	Broadbased - No one exempt TBL How presented - low \$\$ Offset for low-income	Equitable? Voter Memory	Yes	Yes	Not Required
<b>Public Service Fee</b>						
\$1/month per unit	700,000	Could be broadbased - EWEB	New Broadbased Opposition Collection issue	Yes	Yes	Not Required
<b>Terminate Riverfront District</b>						
	300,000	Existing City Resource	Reduced \$ for planning efforts	Yes	Yes	Not Required
<b>Property Tax - LOL 5 Year Maximum</b>						
\$20/Year, avg taxpayer	1,000,000		Compression Hard to sell Timing with other measures Temporary	Yes	Yes	Required
<b>Restaurant Tax</b>						
					No	Not Required

## **Eugene's Human Services Budget**

### **Portion of Eugene's Human Service Budget to be Funded with New Revenue**

The subcommittee's discussion at the last meeting centered around finding a more stable and increased level of funding for the payment that the City makes to the Human Services Commission. It should be noted, however, that the City also directly funds a number of human services in its own budget. Examples are CAHOOTS, the St. Vincent DePaul homeless camping contract and Project Homeless Connect.

In addition, although the services are provided outside of the General Fund, the City also provides a number of affordable housing services. The funding for these services (federal dollars through CDBG and HOME programs) are also at risk for being reduced in the near future. In fact, November 17, the House and Senate passed a partial spending bill which cuts HOME funds by 38% and CDBG by 11.6%. If signed into law, the cuts will result in an estimated loss of \$362,000 in Eugene HOME funds and \$145,500 in Eugene CDBG funds. A reduction in CDBG funds will also translate into a reduction in HSC contribution of about \$20,000 from the City because we are limited to using a maximum of 15% of our CDBG allocation for human services.

As part of the final recommendation, subcommittee members should determine which portion of the City's human services budget would be funded with new revenue, and which would be funded with existing sources.

### **Amount for Current Services**

At the last meeting, subcommittee members discussed funding the current amount of HSC payment of \$1.3 million. The attached funding summary charts set out the various sources and uses of funding for human services. For FY12, the City's payment to the Human Services Commission consists of \$1,035,000 for the base payment, \$36,000 for Station 7, and \$150,000 for stabilization, for a total of \$1,221,000 that all comes from the General Fund. HSC also receives \$350,000 from CDBG funds. The total going to HSC from the City in FY12 is \$1,571,000. Of that amount, \$150,000 is one-time and is not anticipated to be included as part of the City's ongoing budget.

As part of the final recommendation, subcommittee members should determine which portion of the HSC payment would be funded with new revenue and which would be funded with existing sources.

### **Revenue Cushion and Contingency Funds**

The subcommittee briefly discussed how to manage fluctuations in revenues for human services, and how to manage changing community needs for service. Part of the subcommittee's recommendation could include a factor for a revenue cushion and/or contingency funds. This amount could be set aside by the City to address whatever human service need deemed to be highest priority each year, outside of the HSC payment. As part of the final recommendation, subcommittee members should determine whether to include this concept in a new revenue measure.

### Human Service Funding Summary – Past Six Years

	FY07	FY08	FY09	FY10	FY11	FY12
<b>HSC Payment</b>						
-General Fund Base	\$970,700	\$992,000	\$1,015,000	\$1,035,000	\$1,035,000	\$1,035,000
-General Fund Directed	405,720	506,000	516,000	448,000	398,000	186,000
-Other Funds Base	350,000	350,000	350,000	350,000	350,000	350,000
-Other Funds Directed	0	0	0	0	0	0
<b>Total</b>	<b>1,726,420</b>	<b>1,848,000</b>	<b>1,881,000</b>	<b>1,833,000</b>	<b>1,783,000</b>	<b>1,571,000</b>
<b>Direct Contracts &amp; Programs</b>						
-General Fund	376,326	390,451	347,482	344,294	344,294	689,000
-Other Funds	2,530,110	2,517,499	2,420,600	2,876,325	2,974,796	2,270,000
<b>Total</b>	<b>2,906,436</b>	<b>2,907,950</b>	<b>2,768,082</b>	<b>3,220,619</b>	<b>3,319,090</b>	<b>2,959,000</b>
<b>Total General Fund</b>	<b>1,752,746</b>	<b>1,888,451</b>	<b>1,878,482</b>	<b>1,827,294</b>	<b>1,777,294</b>	<b>1,915,000</b>
<b>Total Other Funds</b>	<b>2,880,110</b>	<b>2,867,499</b>	<b>2,770,600</b>	<b>3,226,325</b>	<b>3,324,796</b>	<b>2,615,000</b>
<b>Total Funding</b>	<b>4,632,856</b>	<b>4,755,950</b>	<b>4,649,082</b>	<b>5,053,619</b>	<b>5,102,090</b>	<b>4,530,000</b>

## Human Service Funding – Details for the Past Six Years

### FY12 Budget

	General Fund	Other Funds	Total
<b>HSC Payment</b>			
Base Payment	\$1,035,000	350,000	<b>\$1,385,000</b>
Directed Payments*	186,000	0	<b>186,000</b>
ARRA for Homeless Prevention & Rapid Rehousing	0	0	<b>0</b>
Total HSC Payment	1,221,000	350,000	<b>1,571,000</b>
<b>Direct Contracts &amp; Programs</b>			
CAHOOTS	600,000	0	<b>600,000</b>
SVdP Homeless Camping	89,000	0	<b>89,000</b>
CDBG & HOME for affordable housing capital	0	2,168,000	<b>2,168,000</b>
Miscellaneous **	5,000	97,000	<b>102,000</b>
Total Direct Contracts & Programs	694,000	2,265,000	<b>2,959,000</b>
<b>Totals</b>	<b>\$1,915,000</b>	<b>2,615,000</b>	<b>4,530,000</b>

### FY11 Budget

	General Fund	Other Funds	Total
<b>HSC Payment</b>			
Base Payment	\$1,035,000	\$350,000	<b>\$1,385,000</b>
Directed Payments*	398,000	0	<b>398,000</b>
Total HSC Payment	1,433,000	350,000	<b>1,783,000</b>
<b>Direct Contracts &amp; Programs</b>			
CAHOOTS	250,294	0	<b>250,294</b>
SVdP Homeless Camping	89,000	0	<b>89,000</b>
ARRA for Homeless Prevention & Rapid Rehousing	0	276,610	<b>276,610</b>
CDBG & HOME for affordable housing capital	0	2,648,186	<b>2,648,186</b>
Miscellaneous ***	5,000	50,000	<b>55,000</b>
Total Direct Contracts & Programs	344,294	2,974,796	<b>3,319,090</b>
<b>Totals</b>	<b>\$1,777,294</b>	<b>\$3,324,796</b>	<b>\$5,102,090</b>

### FY10 Budget

	General Fund	Other Funds	Total
<b>HSC Payment</b>			
Base Payment	\$1,035,000	\$350,000	<b>\$1,385,000</b>
Directed Payments*	448,000	0	<b>448,000</b>
Total HSC Payment	1,483,000	350,000	<b>1,833,000</b>
<b>Direct Contracts &amp; Programs</b>			
CAHOOTS	250,294	0	<b>250,294</b>
SVdP Homeless Camping	89,000	0	<b>89,000</b>
ARRA for Homeless Prevention & Rapid Rehousing	0	276,610	<b>276,610</b>
CDBG & HOME for affordable housing capital	0	2,550,715	<b>2,550,715</b>
Miscellaneous ***	5,000	49,000	<b>54,000</b>
Total Direct Contracts & Programs	344,294	2,876,325	<b>3,220,619</b>
<b>Totals</b>	<b>\$1,827,294</b>	<b>\$3,226,325</b>	<b>\$5,053,619</b>

\* Limited duration payments to HSC have been for stabilization, Station 7, homeless initiatives (ShelterCare, SVdP), Safe & Sound.

\*\* General Fund for Blue Ribbon Committee, Project Homeless Connect, LTD tokens. HOME for community housing, security deposit assistance.

**FY09 Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>HSC Payment</b>			
Base Payment	\$1,015,000	\$350,000	<b>\$1,365,000</b>
Directed Payments*	516,000	0	<b>516,000</b>
Total HSC Payment	1,531,000	350,000	<b>1,881,000</b>
<b>Direct Contracts &amp; Programs</b>			
CAHOOTS	255,282	0	<b>255,282</b>
SVdP Homeless Camping	87,200	0	<b>87,200</b>
ARRA for Homeless Prevention & Rapid Rehousing	0	0	<b>0</b>
CDBG & HOME for affordable housing capital	0	2,371,600	<b>2,371,600</b>
Miscellaneous ***	5,000	49,000	<b>54,000</b>
Total Direct Contracts & Programs	347,482	2,420,600	<b>2,768,082</b>
<b>Totals</b>	<b>\$1,878,482</b>	<b>\$2,770,600</b>	<b>\$4,649,082</b>

**FY08 Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>HSC Payment</b>			
Base Payment	\$992,000	\$350,000	<b>\$1,342,000</b>
Directed Payments*	506,000	0	<b>506,000</b>
Total HSC Payment	1,498,000	350,000	<b>1,848,000</b>
<b>Direct Contracts &amp; Programs</b>			
CAHOOTS	250,276	0	<b>250,276</b>
SVdP Homeless Camping	85,175	0	<b>85,175</b>
ARRA for Homeless Prevention & Rapid Rehousing	0	0	<b>0</b>
CDBG & HOME for affordable housing capital	0	2,466,693	<b>2,466,693</b>
Miscellaneous **	55,000	50,806	<b>105,806</b>
Total Direct Contracts & Programs	390,451	2,517,499	<b>2,907,950</b>
<b>Totals</b>	<b>\$1,888,451</b>	<b>\$2,867,499</b>	<b>\$4,755,950</b>

**FY07 Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>HSC Payment</b>			
Base Payment	\$970,700	\$350,000	<b>\$1,320,700</b>
Directed Payments*	405,720	0	<b>405,720</b>
Total HSC Payment	1,376,420	350,000	<b>1,726,420</b>
<b>Direct Contracts &amp; Programs</b>			
CAHOOTS	242,986	0	<b>242,986</b>
SVdP Homeless Camping	83,340	0	<b>83,340</b>
ARRA for Homeless Prevention & Rapid Rehousing	0	0	<b>0</b>
CDBG & HOME for affordable housing capital	0	2,478,940	<b>2,478,940</b>
Miscellaneous **	50,000	51,170	<b>101,170</b>
Total Direct Contracts & Programs	376,326	2,530,110	<b>2,906,436</b>
<b>Totals</b>	<b>\$1,752,746</b>	<b>\$2,880,110</b>	<b>\$4,632,856</b>

\* Limited duration payments to HSC have been for stabilization, Station 7, homeless initiatives (ShelterCare, SVdP), Safe & Sound.

\*\* General Fund for Blue Ribbon Committee, Project Homeless Connect, LTD tokens. HOME for community housing, security deposit assistance.



## Funding Tradeoff Scenarios

At the last subcommittee meeting, members discussed funding levels for new revenue versus funding levels in the existing General Fund. Three scenarios are attached to assist with continued discussion on this topic. It should be noted that there are many other possible scenarios that the subcommittee could choose to recommend; these are shown solely for starting the conversation among subcommittee members.

### Reallocate General Fund Services

One way to increase the City's HSC payment would be to reallocate existing General Fund budgets to provide more of HSC and less of something else. For this what-if scenario, funding at FY12 levels less the one-time stabilization dollars is assumed.

### Expanded HSC Payment from New Revenue Source

For this what-if scenario, it is assumed that new revenue would raise \$1 million, and the base HSC on-going contribution would remain in the General Fund. This scenario also assumes that \$200,000 of the new revenue is retained by the City as a revenue cushion and/or a contingency.

### Fund Entire HSC Payment from New Revenues

Under this approach, the City would raise new revenues of \$2,035,000, which would fund the current HSC ongoing contribution plus additional contribution. It also assumes \$200,000 of the new revenue is retained by the City for a cushion and/or contingency.

### Impact on Citizens and Taxpayers

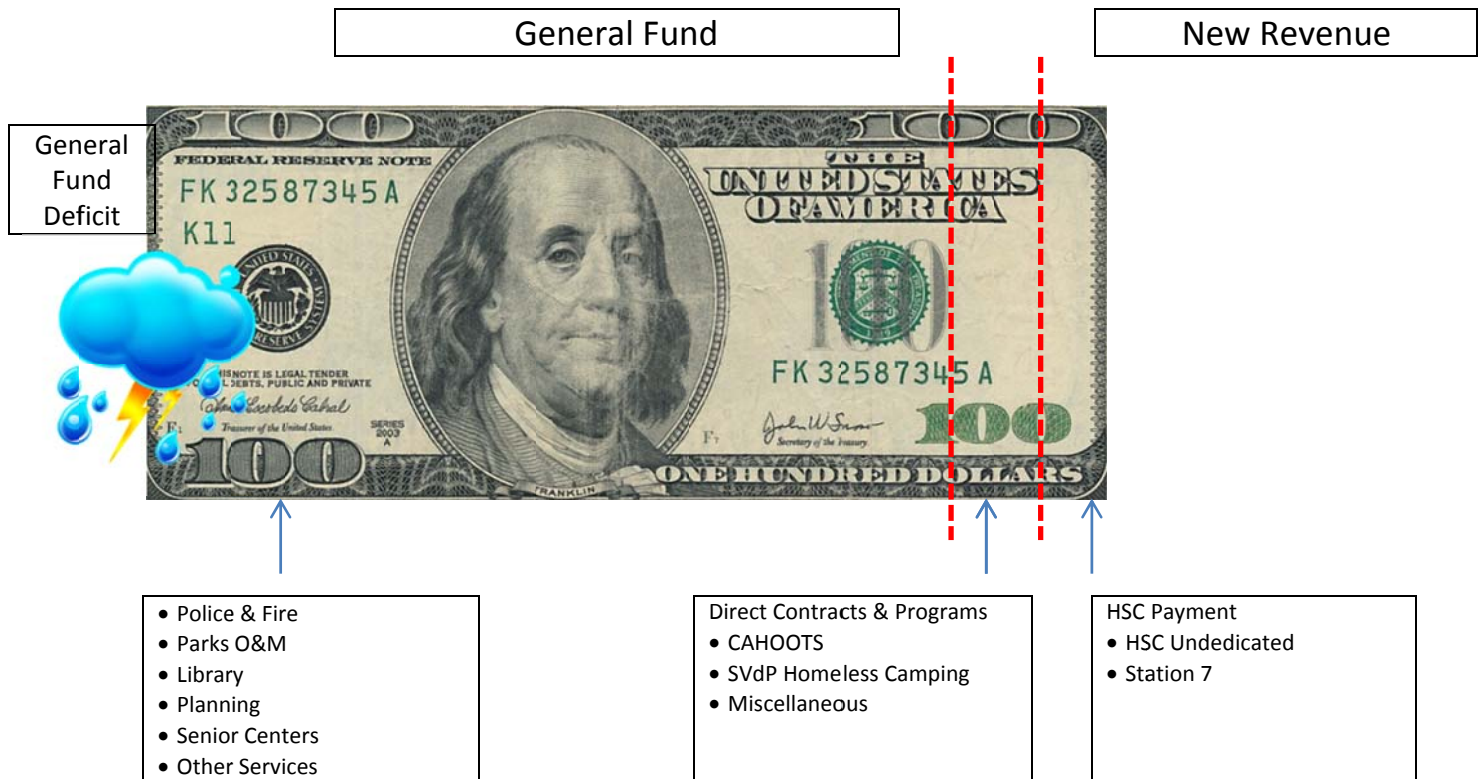
In the event that the City raised new revenue for HSC and other human services, the preliminary estimate of the impact on citizens would be as follows. It should be noted that the estimates used in this analysis are several years old and would need to be updated and refined if council should choose to move forward. The estimates also do not take into account delinquencies and administrative costs, or use of funds for other purposes (such as providing additional funding for EWEB Customer Care program as part of a utility consumption tax).

	Rate	Amount Raised	Impact to Citizens/Taxpayers
<b>Utility Consumption Tax</b>			
	0.3%	\$700,000	~\$0.50/household per month
	0.45%	\$1,000,000	~\$0.70/household per month
	1.0%	\$2,200,000	~\$1.50/household per month
<b>Monthly Public Service Fee</b>			
	\$1/month	\$700,000	\$12/year per unit
	\$1.50/month	\$1,000,000	\$18/year per unit
	\$3.00/month	\$2,000,000	\$24/year per unit
<b>Terminate Riverfront URD</b>	--	\$300,000	Very slight reduction in tax rate for bonds

Note: Revenue amounts and impact to citizens/taxpayers are very preliminary and will need updating and refinement if the idea moves forward at council.

## Reallocate General Fund Services

Fund human services (payment to HSC as well as direct human service contracts) entirely from the General Fund. This is the current situation. In order to increase human service funding, reduce other General Fund services.




### Impacts:

- Insufficient funding available within existing General Fund budget – fully funding human services at desired level means other valued services will have to be reduced
- Does not address potential reductions in CDBG and HOME funds for affordable housing programs

### Risks:

- When the General Fund reductions are determined, the HSC payment as well as other human services may need to share in the cuts.

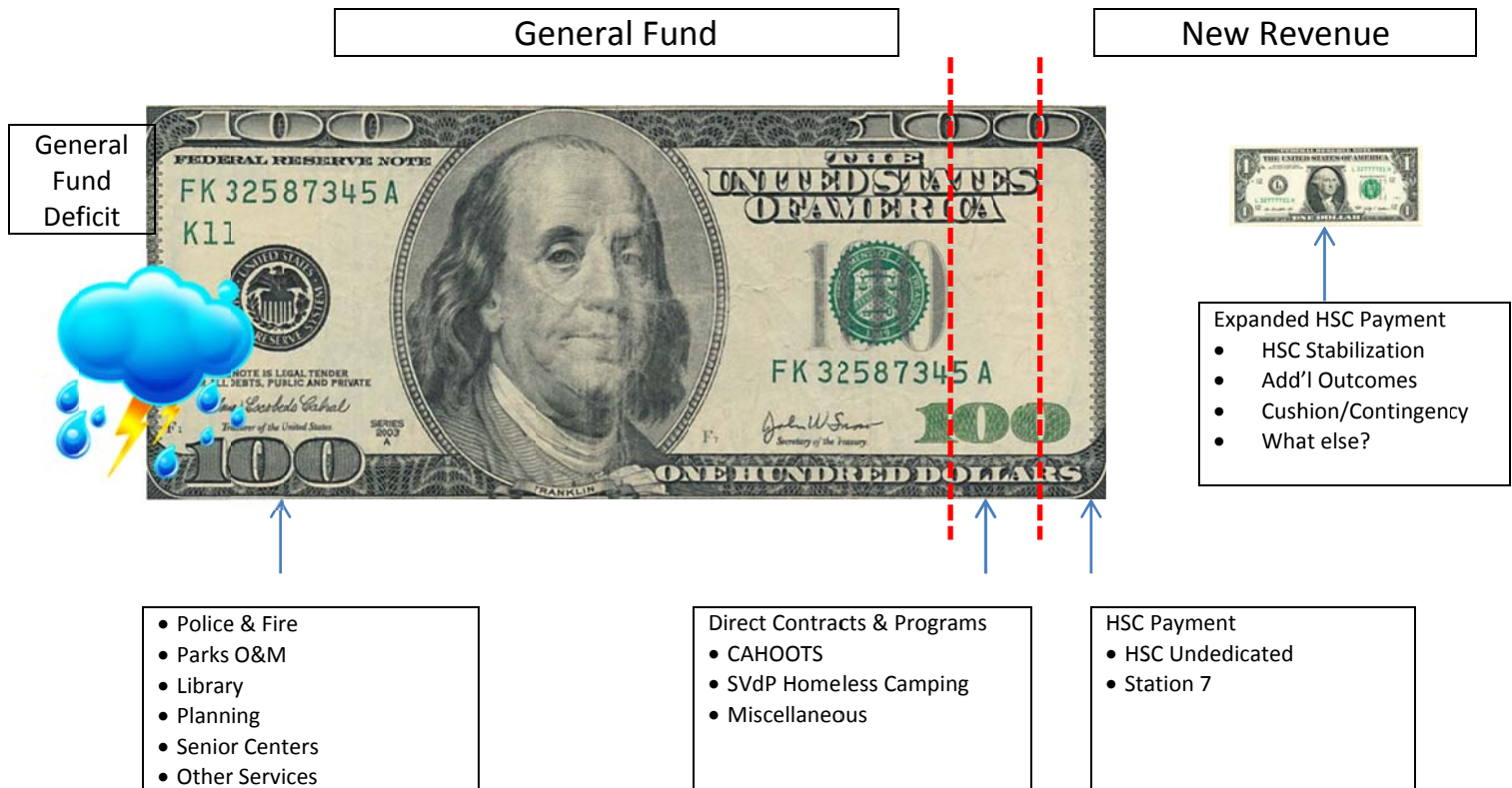


Summary of Funding				
	General Fund	CDBG/HOME	New Revenue	Total
Base HSC	\$1,035,000	\$350,000	\$0	\$1,385,000
Additional HSC*	36,000	0	0	36,000
Direct City Contracts & Programs	694,000	2,265,000	0	2,959,000
<b>Total</b>	<b>\$1,765,000</b>	<b>\$2,615,000</b>	<b>\$0</b>	<b>\$4,380,000</b>

\*Assumes \$150K stabilization is not funded in the future.

## Expanded HSC Payment from New Revenue Source

Fund FY12 HSC payment from the General Fund, as well as direct human service contracts and programs. Increase HSC payment by implementing a new revenue source.



### Impacts:

- Provides additional funding for human services
- Desired outcomes from additional funding are \_\_\_\_\_?
- Could allow for a cushion in the event of revenue fluctuation and/or a contingency for emerging needs
- Does not address potential reductions in CDBG and HOME funds for affordable housing programs

### Risks:

- New revenue may not be accepted by the public
- New revenue may not produce the level of funding desired
- New revenue may not keep up with inflation in human service costs
- As part of the General Fund, human service contracts may still be reduced

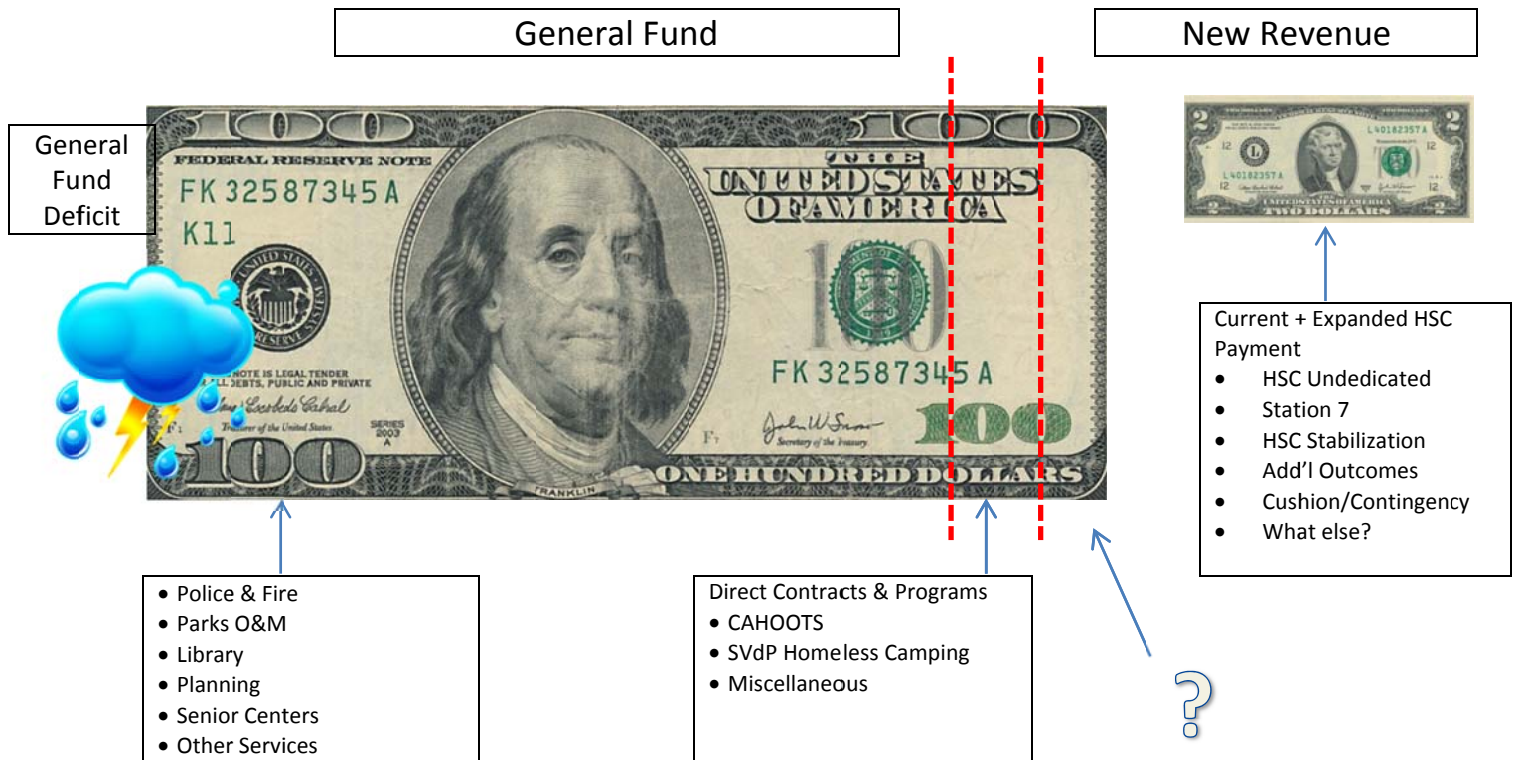
Summary of Funding	General Fund	CDBG/HOME	New Revenue	Total
<b>Base HSC</b>	\$1,035,000	\$350,000	\$0	\$1,385,000
<b>Additional HSC*</b>	36,000	0	800,000	836,000
<b>Direct City Contracts &amp; Programs**</b>	694,000	2,265,000	200,000	3,159,000
<b>Total</b>	\$1,765,000	\$2,615,000	\$1,000,000	\$5,380,000

\*Assumes \$150K stabilization is not funded in the future.

\*\*New revenue component is revenue cushion and/or contingency for emerging needs.

## Fund Entire HSC Payment (Current + Expansion) from New Revenues

Fund the entire HSC payment, including an expanded amount, from a new, dedicated revenue source. Free up ongoing General Funds that could be used to reduce the deficit and lessen cuts to other services.



### Impacts:

- Provides additional and dedicated funding for human services
- Desired outcomes from additional funding are \_\_\_\_\_?
- Could allow for a cushion in the event of revenue fluctuation and/or a contingency for emerging needs
- Does not address potential reductions in CDBG and HOME funds for affordable housing programs
- Allows freed-up GF money to be used for other services and/or to lessen impact during budget reductions
- Avoids competition with General Fund services, as long as HSC payment is solely funded with new revenue source

### Risks:

- New revenue may not be accepted by the public
- New revenue may not produce the level of funding desired
- New revenue may not keep up with inflation in human service costs
- If new revenue does not keep up with demand/need for HSC payment, General Fund may be asked to pick up costs in the future, thereby increasing pressure on that fund again

Summary of Funding	General Fund	CDBG/HOME	New Revenue	Total
<b>Base HSC</b>	\$0	\$350,000	\$1,035,000	\$1,385,000
<b>Additional HSC*</b>	0	0	800,000	800,000
<b>Direct City Contracts &amp; Programs**</b>	694,000	2,265,000	200,000	3,159,000
<b>Total</b>	\$694,000	\$2,615,000	\$2,035,000	\$5,344,000

\*Assumes \$150K stabilization is not funded in the future.

\*\*New revenue component includes revenue cushion and/or contingency for emerging needs.

# CITY COUNCIL SUBCOMMITTEE ON HUMAN SERVICE FUNDING

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DRAFT - FINAL REPORT

November 22, 2011



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## **Background**

The City Council Subcommittee on Human Service Funding was created during the Budget Committee meetings in May of 2011.

The charge of the Subcommittee was to explore options to secure an increased level of stable and long-term funding for human services in the community. The Subcommittee was charged with producing a report to the full City Council that recommended a level of investment in funding for human services and an on-going funding source adequate to cover the recommended service level.

As part of this Subcommittee, members reviewed current City funding levels for human services and determined a stable funding level into the future. Members considered regional aspects of this issue and looked at various funding mechanisms including repurposing existing funding as well as new revenue sources. Additional consideration was given to how human service funding aligns with other funding discussions and unmet City needs, such as ambulance transport funding, parks and recreation operations & maintenance and other items shown in the Multi-Year Financial Plan.

The Subcommittee consisted of four City Councilors:

- George Brown
- Pat Farr
- Andrea Ortiz
- Chris Pryor

The Subcommittee met four times over the course of two months for their discussions. As part of their process, the Subcommittee received public comment to inform their conversation. Their proceedings were captured in minutes, which are included as appendices to this report.

The Subcommittee will present their recommendations to the full City Council at a meeting currently scheduled for January 11, 2012.

## **Recommendations**

The Subcommittee recommends a two-phased strategy. The first phase would stabilize and increase City of Eugene funding for human services in the near term. The second phase would be a community-wide conversation about human service funding, including other jurisdictions.

### **Phase 1 - City of Eugene new revenue(s) in the near term**

#### **Services to be Included: [this will be re-written to reflect discussion at the 11/22 meeting]**

Initial focus of revenue discussion should be on existing human services in the traditional definition, with General Fund cost of approximately \$2 million

New revenue to pay for General Fund human services could free up other dollars to be used for additional services, or reduce the General Fund gap.

The amount and type of other City services folded into a new revenue discussion will depend on the amount that is realistically expected to be supported by the community and be sustainable. Examples of services that could be included – non-General Fund human services like affordable housing currently paid for with CDBG and HOME funds, or “quality of life” services such as recreation, library, parks, fire. The subcommittee will not recommend specific services to include, but will recommend that the process to move forward include defining what would be included, if council agrees with the recommendation.

#### **New Revenues to be Considered: [this will be rewritten to reflect discussion at the 11/22 meeting]**

Total amount of new revenues to be generated for human service funding should be \$\_\_\_\_. This would be coupled with continuing to fund \$\_\_\_\_ from the City’s General Fund budget for \_\_\_\_ services.

Revenues to support the recommendation could come from one or more of the following:

- utility consumption tax, possibly including a partnership with EWEB around the Customer Care limited income subsidy; or
- public service fee (aka utility fee); and/or
- termination of Riverfront Urban Renewal District

#### **Other Recommendations:**

Council should also take a closer look at current outcomes for human service dollars and see if any adjustments in outcomes should be made



**Phase 2 - broader community discussion with partners around regional solution**

- This could be something that builds off of the City of Eugene solution
- This discussion will likely occur in a different arena outside of the City Council's direct control
- The subcommittee did not make recommendations about exactly what this would look like, but wanted to encourage that the City be involved in participating in any such regional discussions.

## **Appendices**

1. Subcommittee Minutes
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